

## **REMARKS**

In view of the foregoing amendments and following remarks, reconsideration of this application and early allowance of the application is respectfully requested.

Claims 1-3, 8, 11, 13-17, 19-22, 27, 30, 32-36, 38 and 39 are currently pending in this application and stand rejected under 35 U.S.C. § 102(b) as being anticipated by newly-cited Walker et al. U.S. Patent No. 6,018,718 for the reasons stated by the Examiner on pages 2-9 of the Office Action. Independent claims 1, 20 and 39 have been amended herein. No new matter has been introduced.

In view of the claim amendments presented herein and for the reasons detailed below, Applicants request that the rejection of the pending claims under 35 U.S.C. §102(b) be withdrawn, and notice to the effect that the pending claims are patentable over the newly-cited Walker patent is respectfully solicited.

As now explained, a review and reading of the Walker patent makes clear that the patent does not disclose, yield or suggest Applicants' system and method as claimed in independent claims 1, 20 and 39. Applicants respectfully submit that differences exist between the system and method claimed in the present application and the system and method disclosed in Walker that warrant the immediate withdrawal of the rejection of claims 1, 20 and 39 on anticipation grounds. Walker does not disclose each element of the rejected claims, and, accordingly, the Walker patent cannot anticipate claims 1, 20 and 39.

As set forth in detail in the present application, and as explained in Applicants' previous submissions, Applicants' invention is directed to a new system and method for enhancing the value and desirability of a substantially conventional credit card or like payment product to both the card holder and to the issuer of the card through a program by which the

issuer of the card awards rebates to its card holders based on the card holders' card usage. In contrast to conventional credit card programs sponsored by particular merchants which limit the card holders to redeeming rebates for specific goods or services purchased from such particular sponsoring merchants, the rebate benefits according to the present invention are provided by the card issuer and can be based on the purchase of goods and services of any provider or on other credit card transactions which satisfy rules pre-defined by the credit card issuer. The present invention avoids the need for conventional partnerships with providers of goods and services such as co-branding arrangements.

Rebates in accordance with the present invention are earned from the card issuer solely upon making purchases or effecting other credit card transactions that (alone or cumulatively) satisfy the rules pre-defined by the credit card issuer. That is, it is the qualifying transaction itself that provides the card issuer with all it needs to recognize a rewards program event and provide an appropriate rebate to the card holder.

The Walker patent cited by the Examiner describes embodiments of a system and method for providing and managing a reward offer to a holder of a financial account that is customized based on specific account criteria. According to Walker, historical account data associated with the financial account are accessed and a first performance target associated with the financial account is determined. A reward offer having an associated reward description is selected and the first performance target and the reward description are transmitted to the account holder. Transaction data associated with the financial account are collected and compared to the first performance target. If the collected transaction data exceed the first performance target, the financial account is updated to reflect the reward. The collected transaction data are also used to determine a second performance target associated with the

financial account based on the first performance target and the account holder's transaction activity. The type of performance target can be defined by the card issuer (e.g., annual purchases at specified merchants).

In stark contrast to Walker, in accordance with the present invention, rewards are earned in objective proportion to the card activity/usage on which they are based and not on performance target thresholds established by the issuer which are customized to the specific card holder (e.g., based on historical card holder data). Indeed, Walker actually teaches away from reward accrual programs of the general type under consideration (the present invention being a new improvement in such programs) which reward card holders for account usage based on "predetermined objective criteria" (see e.g., col. 1, lines 46-57, of the Walker patent).

Applicants have amended claims 1, 20 and 39 to more distinctly claim the present invention in view of the foregoing differences vis-à-vis the Walker patent. Specifically, claims 1, 20 and 39 now affirmatively recite that the pre-defined program rules include "objective criteria" by which the card holder can earn rewards based on purchases using the credit card.

The Federal Circuit has instructed that anticipation requires the disclosure in a single prior art reference of each element of the claim under consideration. *See W.L. Gore & Assocs. v. Garlock, Inc.*, 220 USPQ 303 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 841 (1984); *see also Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co.*, 221 USPQ 481, 485 (Fed. Cir. 1984) (requiring that the prior art reference disclose each element of the claimed invention arranged as in the claim). Considering that the credit card rebate rewards program system and method of the present invention as claimed in independent claims 1, 20 and 39 differs from the system and method disclosed in Walker, as discussed above, it is respectfully

submitted that independent claims 1, 20 and 39 are not anticipated by and are patentable over Walker. Notice to this effect is earnestly solicited.

Regarding the rejection of dependent claims 2, 3, 8, 11, 13-17, 19, 21, 22, 27, 30, 32-36 and 38, it is submitted that these claims are also allowable by reason of their various dependencies from independent claims 1 and 20, as well as for the additional features and steps recited therein. Notice to this effect is also earnestly solicited.

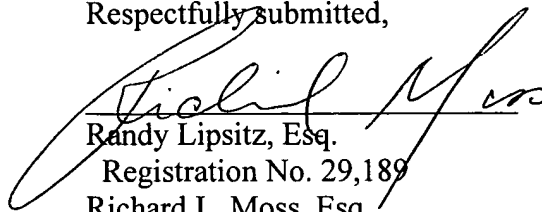
The references cited by the Examiner in the Office Action but not applied are believed to be merely of interest, and no further discussion of the references is deemed necessary or appropriate at this time.

On the basis of the foregoing amendments and remarks, Applicants respectfully submit that this application is in condition for immediate allowance, and notice to this effect is respectfully requested. The Examiner is invited to contact Applicants' undersigned attorneys at the telephone number set forth below if it will advance the prosecution of this case.

The submission of formal drawings addressing the objections raised by the PTO draftsman on Form PTO 948 will be deferred until allowance of the application.

No fee is believed due with this Response. Please charge any fee deficiency to Deposit Account No. 50-0540.

Respectfully submitted,



Randy Lipsitz, Esq.

Registration No. 29,189

Richard L. Moss, Esq.

Registration No. 39,782

Attorneys for Applicants

KRAMER LEVIN NAFTALIS & FRANKEL LLP

1177 Avenue of the Americas

New York, New York 10036

(212) 715-9100

- 14 -